दी है, इस पूरी स्वतंत्रता का क्या आशय हैं ? जो विदेशी प्रत्यक्ष निवेश आएगा, उसकी कितनी अनुमति आपने दी है ?

श्री प्रफुल्ल पटेल : माननीय सदस्य ने जो प्रश्न पूछा है, उसमें उन्होंने फॉरेन डायरेक्ट इन्वैस्टमेंट के बारे में पूछा हैं । हमारे भारतीय ऐविंयेशन सैक्टर में फिलहाल हमारी नीति के आधार पर 40 प्रतिशत विदेशी निवेश हो सकता है और उस 40 प्रतिशत में एक शर्त यह है कि कोई भी विदेशी एयरलाइंस इसमें हिस्सा नहीं ले सकती है । यह हमारी वर्तमान पालिसी है । जहां तक वाणिल्य मंत्रालय का सवाल है, यह पालिसी existing है और इसमें अभी तक हमने कोई परिवर्तन प्रपोज नहीं किया है । इस बारे में कई प्रकार की रिकमंडेंश्स आई है जो हमारे मंत्रालय के विचाराधीन हैं ।

जहां तक आपने विमान की बात कही हैं, विमान लेने की प्रक्रिया, यह एक ऑन गोइंग प्रोसेस हैं लेकिन वर्तमान समय में जब तक हम नए विमान नहीं खरीदते हैं, तब तक एयर इंडिया और इंडियन एयरलाइंस लीजिंग के माध्यम से अपनी कैपेसिटी को पूरा करने की कोशिश कर रहे हैं और यह प्रक्रिया निरंतर जारी हैं । अगले साल भी जितने विमानों की आवश्यकता होगी, उन्हें खरीदने के पूर्व, हम लीजिंग के माध्यम से उस कमी को पूरा करने की कोशिश करेंगे ।

*22. [77?e *questioner (Shrimati N. P. Durga) was absent. For answer vide pages 28-29.]*

Interest rate on fresh loan to States

*23. Dr. T. SUBBARAMI REDDY:†
SHRI MOOL CHAND MEENA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to ease the fiscal stress of States by planning a 50-100 basis point cut in the interest charged on fresh loans to States;

(b) if so, whether reduction in interest rate on plan loans has provided some relief in easing their debt burden;

(c) if so, what is the total reduction of interest rate on fresh loans in 2004-05;

(d) to what extent this reduction of interest rate has provided relief to States; and

(e) which States have been benefited?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) The matter is under consideration.

†The question was actually asked on the floor of the House by Dr. T. Subbarami Reddy.

(b) to (e) Do not arise.

श्री सभापति : सुब्बारामी रेड्डी जी, आप फिर आ गए !

DR. T. SUBBARAMI REDDY: Sir, I would like to point out that a lot of stress and strain is being caused to the State Governments due to huge debts. So, now, I would like to know from hon. Minister when the debts increased from 1992 to 2002, in ten years, from Rs. 1,67,500 crores to Rs. 5,87,245 crores, that is, in other words, from 18.5 of the GDP, it has gone to 25 per cent. So, how does the hon. Minister plan to help the State Governments in solving the problem? There are States where there is no money even to pay salaries for their employees. So, in our country, many States are passing through fiscal deficits. We all know that Chidambaramji has got magic hands. So, with his magic hands, I would like to know how he is going to solve the States' financial problems?

SHRI P. CHIDAMBARAM: Sir, it is true that all States suffer from fiscal stress. But, it is equally true that the Central Government also suffers from fiscal-stress. The only way to relieve stress is to adopt fiscally-prudent policies and observe financial discipline. We are doing our best to relieve the stress of the State Governments. And, one other thing that we have done is to reduce the interest rate on loans to State Governments. In the last year, for example, the interest rate was reduced. The question is, "Is there an opportunity to reduce it further?" As I said, the matter is under consideration. You will kindly forgive me, Sir, for being unable to say anything on this.

SHRI NILOTPAL BASU: I think, Sir, on this question, there are two or three very important issues which have earlier been discussed in this House. It was found that till 1997, the state of fiscal management of the Government of India, while it registered a secular increase, the situation in the States was not so bad. But, subsequent to the implementation of the recommendations of the Fifth Pay Commission, things became very difficult. And, that was beyond the control of the State Governments. So, two or three issues came up for discussion in the House also. One, there is an interest differential on foreign loans given to the States. I would like to know why the Government of India should retain this large amount of interest differential, benefits of which could otherwise be passed on to the States. Is the Finance Minister going to review this policy? The other thing' is about a one-time package, because as a result of this fiscal situation in the State, it was seen that increasingly the Plan programmes under the Plan head were getting hit and that resulted in all kinds of distortions in

the economy which we have seen in people revolting in the last elections. So, on these two aspects, in terms of relieving the stress in the overall fiscal situation of the States, what is the point of view of the Government of India?

SHRI P. CHIDAMBARAM: Sir, while it is true that the implementation of the recommendations of the Fifth Pay Commission did increase the burden of the States, I must point out that at that point of time, virtually, every political party insisted that the Pay Commission recommendation be not only implemented but should be improved and implemented. Chief Ministers also pressed the Central Government to implement the recommendations of the Fifth Pay Commission with improvements. Anyway, that is behind us now.

MR. CHAIRMAN: Not all the Chief Ministers.

SHRI P. CHIDAMBARAM: That is behind us now. Now, we have to find ways in which we can retrieve the situation. Now, one of the matters which, I believe, the Twelfth Finance Commission is considering is how to help the States, and I expect the report to come to the Government before the end of the year and those recommendations will be implemented beginning next fiscal year. As regards transferring external aid at the same interest rate to the States, hon. Members are just as aware as I am, if the Central Government is to assume the exchange rate risk, obviously, it cannot be transferred at the same interest rate. Since the State Governments want the Central Government to assume the exchange rate risk, there has to be a spread between the interest rate at which the external aid is received and the interest rate at which it is passed on the State Governments. But, I am fully aware of it and I hope that it will be possible for me to deal with some of these in the future.

SHRI R.S. GAVAI: -Sir, is it a fact that the Chief Minister of Maharashtra, with a delegation, met the hon. Prime Minister and the Finance Minister requesting them that reduction of interest rate be provided for their State? To my knowledge, the Chief Minister was given to understand that his proposal would be duly considered. I would like to know whether it is a fact.

SHRI P. CHIDAMBARAM: It is true that the Chief Minister of Maharashtra called on the hon. Prime Minister. He has also met me, and it is true that I told him that his request would be duly considered. And I will duly consider his request.